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Development (1948) Department.

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G.O. No. 4658

Dated 13-9-48.

[Despatch Abstract.]

LABOUR - International Labour Organisation - Second Session of the Iron and Steel Committee of the International Labour Organisation -Resolutions - Report of action taken Reply sent to the Government of India.

GOVERNMENT OF INDIA.
Ministry of Labour.
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No.L.C.74(1).
New Delhi, the 18th July, 1948.
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From

Rai Bahadur Sadashiva Prasad, M.A.,B.L.,
Deputy Secretary to the Government of India,

To

The Secretary to the Government of Madras ,
Public Works Department,
Madras.

Sir,

Subject: Conclusions reached at the second Sess Session of the Iron and Steel Committee: of the International Labour Organisation - August, 1947.
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I am directed to enclose copies of the decisions of the above Committee on the following subjects:-

(i) Definition of the Iron and Steel industry.

(ii) Regularisation of production and employment at a high level.

2. The definition adopted by the Committee is for guidance only.

3. As for the Resolution concerning regularisation of production and employment at a high level, your attention is, in particular, invited to paras 7,9(2) and 10 thereof which suggest the steps which may be taken by Government and organisations of employers' and workers' to achieve the desired end. It is hoped that the Provincial Governments would take all possible steps to give effect to the suggestions made by the Committee. I am to request you to let the Ministry of Labour know the action, if any, taken already or which is proposed to be taken by your Previncial Government in the matter.

Yours faithfully,

(Sd. Sadashiva Prasad)
Deputy Secretary to the Government of India.

A DEFINITION OF THE IRON AND STEEL INDUSTRY.

" For purposes of representation at future sessions of the Iron and Steel Committee, the term "iron and steel industry" shall include. -

"(a) the extraction of iron from iron ores whether in the blast furnace or by any other process;

"(b) the production of steel ingots, wrought iron and steel for castings;

"(c) the operations of rolling steel and wrought iron, whether in the hot or cold state;

Cont.

"(d) the manufacture of sheets coated with tin,zinc, or other metals; and

"(e) the drawing of iron and steel wire."

RESOLUTION CONCERNING REGULARISATION OF PRODUCTION AND EMPLOYMENT AT A HIGH LEVEL

* * *

The Iron and Steel Committee of the International Labour Organisation.

Haing been convened by the Governing Body of the International labour Office, and

Having been met at Stockholm for its Second Session from 20 to 29 August 1947.

Being convinced of the absolute necessity of reaching a highand stable level of employment in the industry in all the steel-producing countries;

Being equally convinced that the regularisation of production and employment at a high level will necessarily follow from the correct balancing of the factors of production and consumption;

Noting further that the disturbances resulting from the war have created or aggravated the e conditions enumerated below which seriously threaten the achievement of full employment in this industry;

Observing that the situation, which had led the Committee to adopt at its First Session a res lution on the shortage of fuel, still persist and that the lack of coke and coal paralyses the steel industry of the countries which have borne the heavier burden of the war;

Considering also that the regularisation of employment at a high level can only be assure if the standards of equipment in the iron and steel industry of the various countries benefit from the most recent technological developments - emplying, in consequence, the need for equipment and, in certain cases, for financial assistance from the appropriate organisations and, in other cases, for technical assistance, in particular by those countries which have suffered from the war an also by the under-developed countries;

Recognising that, although these technological improvements may lead to disturbances in the operation of plants, they should bring about an improvement in the conditions of work and provide an equitable remuneration for the workers;

Cont.

Being equally concerned to ensure, on the one hand, greater reglarity of employment at a high level and, on the other hand, the building up of a sufficient force of adequately trained workers, by the most efficient utilisation possible of the manpower which is or may be available to the industry;

Considering in the first place thatthe experience in the ~~fil~~ field of employee training and promotion in the different countries represented should be utilised in order to accelerate the shaping of an efficient method;

Considering also that the technical development now in process in the iron and steel industry imposes an increasir demand for a more highly trained labour force;

Having examined the preliminary discussion on technological improvements and their effects on employment in the iron and steel industry in the General Report prepared by the Office;

Being convinced of the importance of this question to the welfare of the worker ~~qne e2w~~ and desirous of finding a satisfactory solution to this problem.

Having taken full account of the fluctuations which occur in the operations of the iron and steel industry in consequence of the variations in demand for the products of the industry;

Believing that every effort should be made to explore the possibility of promoting greater regularity of productic and employment in the iron and steel industry by encouraging appropriate modifications in the purchasing policies of important steel-consuming industries;

Considering that particular attention should be paid in this conneetion to the purchasing policies of the said industries;

Being of the opinion that the elimination of unnecessary varieties of steel products, besides promoting economy in the manufacturing process, contributes to regularisation of employment in the iron and steel industry by facilitating production for stock;

Having considered production for stock as a means of reducing short-term fluctuations in employment in the iron and steel industry;

~~XXX~~ Realising that the costs of storage and risks of deterioration, in the case of certainsteel products, constitute limits to the feasibility of production for stock,

Noting that the problem of irregularity of employment in the iron and steel industry is closelylinked with the larger problem of cyclical fluctuations in production and employment in the economy as a whole,

Considering that the planning of public investment as a whole and the timing of public works in particular are of the greatest importance for the reduction of such cyclica fluctuations, and that such planning may make an important contribution to the regularisation of production and employment in the iron and steel industry;

Noting that in periods of depression highly industrialised countries are characterised by ~~lak~~ lack of investment oppor-tunities with accompanying unemployment especially

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marked in the capital goods industries, including the iron and steel industry, and

Realising that at the same time the less developed areas of the world stand in need of capital goods for the development of their economics;

adopts this 29th day of August 1947 the following Resolution:

I. PRODUCTION.

Raw Materials.

1. All efforts should be made to develop coal production and the production of Ruhr coke in particular, in order to make available the greatest possible quantities for export while making the best use of coke in Germany.

Equipment.

2. In order to avoid duplication of work, and to ensure the speedy fulfilment of requirements, regular meetings should be held between the producing and consuming countries concerned in order (a)to compare the plans under consideration in the ~~diffe~~ different countries and to enable each country to draw for itself the necessary conclusions and (b) to establish forecasts of probable consumption levels during the coming years.

3. Since international conferences have been held which have studied these questions - in particular the need for equipment, in other cases, for financial assistance, and is others, for technical assistance - and various bodies are in process of organisation for the purpose, among others, oa analysing and co-ordinating the national plans, the speeding of the work of these bodies, and in particular of those dealing with the problems concerning iron and steel, is strongly urged.

4. The Committee should be kept informed of th conclusions and recommendations resulting from the work of these bodies in order to be in a position to examine them and eventually to express its views regarding their social consequences.

5. The Governing Body of the International Labour Office in invited to examine the various methods by which it may be possible to give the best effect to these recommendations.

Manpower

6. The Governing Body is invited to request th office to carry out an enquiry among the major iron and steel producing countries with a view to the collection and distribution of information regarding -

(a) the methods of vocational training in force in the different countries as regards workers engaged in processing operations (blast furnaces, steel works, rolling mills, etc.);

(b) the methods of vocational training intended to make adult workers rapidly able to fill skilled or semi-skilled jobs in such processing operations;

(c) the rules governing the promotion of workers.

(d) the methods employed to recruit foremen and and similar grades from among the workers and

and to give these persons the knowledge required for performance of their duties.

7. The Governing Body is further invited to recommend to Governments and employers' and workers' Organisations -

(a) that all possible steps be taken in order that -

(i) the iron and steel workers released by introduction of technological improvements be retrained in order that they may obtain other suitable employment, either in the same industry or in other industries, and that arrangements be made so that this retraining shall be without cost to the workers concerned;

(ii) employee promotion plans should be carried out without discrimination, seniority and objective standards of qualifications being taken into account.

(b) that the necessary material provision be made for the development of such measures.

8. The Governing Body is invited to request the Office to undertake a more searching enquiry into the question of technological improvements and their effects on employment, in order to provide the Committee at the next session with a basis on which to make concrete proposals for solving this problem.

II . CONSUMPTION.

Purchasing Plicies of Steel Consumers.

9. (1) In pursuing the enquiry into the purchasing policies and practices of large consumers of steel proposed by the Committee at its first session, the International Labour Office should -

(a) assemble and analyse such information as may be available concerning the pattern of demand for the principal types of steel products, noting particularly the extent to which fluctuations in the demand for other products ;

(b) examine in particular the fluctuations in purchases of steel by large consumers and the influence of these fluctuations on the level of production and employment in the steel industry; and

(c) draw attention to any important gaps in the information available on the subjects referred to in (a) and (b) above.

(2) The Governing Body is invited to request -

(a) Governments and organisations concerned to the extent that it may be appropriate and feasible for them to undertake such action, to conduct or to promote conferences between representatives of the iron and steel industry and of the major steel-consuming industries for the purpose of exploring practical methods of timing purchases of steel in such a way as to promote greater regularity in production and employment in the iron and steel industry while meeting the essential requirements of the said industries; and

Cont.

(b) the Governments and employers' and workers' organisations to inform the International Labour Office of the results of such consultations, with a view to enabling the office to submit a report on the subject to the next session of the Committee.

Elimination of Unnecessary Varieties of Steel Products.

10. The Governing Body is invited to draw the attention to Governments and employers' and workers' organisations to the desirability, in the interests of greater regularity of production and employment, as well as in the interests of reducing manufacturing costs, of promoting the movement to eliminate unnecessary varieties in manufacturing sometimes known as "simplified practice", with special reference to iron and steel and their products.

Production for Stock.

11. The Governing Body is invited to request the Office to submit for its consideration at a future session the results of an enquiry into the feasibility, having regard to storage costs, risks of deterioration and other factors involved, of extending the practice of production for stock in the iron and steel industry, together with suggestions as to possible methods of enccuraging this practice which might profitable be considered by the Committee.

Public Investment Policy.

12. (1) In the preparation of plans for promoting the regularisation of production and employment in the iron and steel industry full consideration should be given to the recommendations concerning the planning of public investment policy with a view to maintaining high levels of economic actively and employment, made by the 26th Session of the International Labour Conference in the Public Works (National Planning) Recommendation, 1944 (No.73), and by the 27th (1945) Session of the Conference in the Resolution concerning the maintenance full employment during the period of industrial rehabilitation and reconversion.

(2) In applying these recommendations, Governments and other public authorities, in order to minimuse unnecessary shifting of labour from industry to industry and permit continuous operation close to capacity, should time their public investment in such a way as to contribute to the maintenance in the major industries affected by it of the greatest degree of stability competible with maximum productivity and with the satisfaction of consumer demand.

Proposal concerning an Auxiliary Stream of Investment from Hightly Industrialised to Less Developed Areas.

13. (1) The Committee notes with keen interest the proposal, recently submitted to the United Nations Economic and Employment Commission, for the promotion of an auxiliary stream of investment from the highly industrialised countries to less developed areas (inaddition to a regular long-term development programme), with a view to utilising the excess capacity during depression of the industrialised areas and thus promoting higher levels of activity and employment in those areas and accelerating the development of the less developed areas.

(2) The Governing Body is invited to assure the United Nations of its readiness to co-operate in the investigation of the problems involved in, and possible methods off giving effect to, this proposal, and to request the Office to keep the Committee informed of the action taken on ~~the~~ this proposal

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Development Department.

Letter Ms.No.4658, dated 13-9-48.

To

The Secretary to the Government of India,
Ministry of Labour, New Delhi.

Sir,

Sub: Labour - International Labour Organisation - Second Session of the Iron and Steel Committee of the International Labour Organisation - Resolutions - Report of action taken - Reply sent to the Government of India.

Ref: Rai Bahadur Sadashiva Prasad's letter No.Lc.74(dated 18-7-48.

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I am directed to state that the Iron and Steel industry is not a major industry of this Province. There are only tew two rerollers in the Province coming under the Iron and Steel industry as defined by the Committee,. The labour employed is not large, production very little and there is no room for eliminating any varieties of steel produced by the rerollers. Further, the suggestions containe in paras 9,11 and 12 can be viewed from and given effect to only at the national level. I am therefore to state that no action seems called for by this Government on the suggestions made by the Committee.

Sd. Secretary to Government.
8-9-48.

/True copy/

Superintendent,
Madras Record Office.

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